

# **SMALL BUSINESS LOAN FUND CORPORATION**

## **MINUTES OF THE BOARD OF DIRECTORS**

**June 22, 2006**

**A monthly meeting of the Board of Directors of the Small Business Loan Fund Corporation was held in public session at the offices of the Rhode Island Economic Development Corporation, One West Exchange Street, Providence, Rhode Island on June 22, 2006 at approximately 9:41 a.m.**

**Present were Board Members: Raymond Fogarty (Chair), Edward Rendine, Richard DeMerchant, Maurice Paradis and William Parsons. Also present were: Earl Queenan, Anthony Scolavino, Alicia Pomfret, staff, along with Thomas V. Moses, Legal Counsel.**

**Mr. Fogarty called the meeting to order at 9:41 a.m.**

### **Adoption of Public and Executive Session Minutes**

**The first item to come before the Board was consideration for adoption of the Minutes of the Board Meeting held on April 27, 2006. Following review, a motion to accept the Public and Executive Session Minutes as submitted was made by Mr. Parsons, was**

**seconded by Mr. DeMerchant, and was unanimously approved.**

**A motion to maintain the confidentiality of the Executive Session Minutes was then made by Mr. DeMerchant, was seconded by Mr. Paradis, and was approved unanimously.**

#### **Cash Position / Portfolio Activity / Delinquency Review**

**Mr. Scolavino presented and performed reviews of the Reports of Cash Position as of May 31, 2006 and the Watch List as of May 31, 2006. Mr. Rendine presented questions concerning Red Farm Studio, to which Mr. Scolavino responded.**

#### **Recommended Loan Charge Offs dated May 15, 2006**

**Mr. Scolavino presented and performed a review of the Recommended Loan Charge Offs. After brief discussion, a motion to approve the Recommended Loan Charge Offs was made by Mr. Rendine, was seconded by Mr. Parsons, and was unanimously adopted.**

#### **Recommended Loan Allocation for the Fiscal Year Ending June 30, 2007**

**At Mr. Rendine's request, Mr. Scolavino gave a detailed report on the recommended allocation. Following this, a motion to approve the Recommended Loan Allocation for the Fiscal Year Ending June 30, 2007 was made by Mr. Rendine, was seconded by Mr. Parsons, and was unanimously approved.**

## **United States Economic Development Administration**

**Mr. Queenan reported that the University of Rhode Island RLF funds of \$963,000 have been sequestered. Staff is in the process of preparing a Draft Plan to consolidate all RLF Projects/Funds. Once finalized it will be presented to the USED A for approval.**

### **EXECUTIVE SESSION**

**At 10:11 a.m. Mr. Parsons made a motion to move the next portion of the meeting into Executive Session pursuant to the Rhode Island Open Meetings Law 42-46-5(a)(6) of the General Laws of the State of RI 1956 (1988 Reenactment), as amended.**

**Mr. DeMerchant seconded the motion, which passed unanimously.**

**Upon a motion made by Mr. Parsons and seconded by Mr. DeMerchant, the Board unanimously voted to return to Public Session at 10:32 a.m.**

### **Executive Session Vote Ratification**

**The next item to come before the Board was the ratification of voting held during the Executive Session. The following votes were presented for ratification:**

**On behalf of New Territories, to remove the SBLFC requirement for the Business Development Corporation's remaining \$100,000 loan**

**advance.**

**On behalf of Item Realty, LLC, to approve the request to amend the collateral, subject to an initial advance by the SBLFC of \$250,000, with the remaining \$500,000 to be advanced when the SBLFC has received the determination on the equity lien against the Jamestown property.**

**Mr. DeMerchant made a motion to ratify the aforementioned as voted during the Executive Session, Mr. Parsons seconded the motion, and the ratification was passed unanimously.**

**Upon a motion made by Mr. Parsons, and seconded by Mr. Paradis, the Board unanimously voted to adjourn. The meeting concluded at 10:38 a.m.**

**Respectfully submitted,**

**Earl F. Queenan, Jr.**

**Director of Accounting & Finance**